

City Council of the Mayor and Council of New Castle
Special Council Budget Workshop Meeting
Town Hall – 201 Delaware Street – New Castle
Tuesday – April 17, 2012 – 6 p.m.

Present:

Council President William Barthel
Councilperson John Cochran
Councilperson John Gaworski
Councilperson Ted Megginson

Also present: Mayor Donald Reese, City Administrator Cathryn Thomas, Finance Director Marian Delaney, Police Chief Kevin McDerby

Council Review of requests for the 2012/2013 City Budget

President Barthel said this is the first budget workshop for Fiscal 2013 and it focuses on revenues. Councilperson Petty is expected at the meeting, but is running late.

Finance Director Delaney provided spreadsheets showing the revenue by month and a five-year comparison.

Administrator Thomas said the spreadsheets are correct on how much revenue the City has, but there is more to the story.

President Barthel said on revenue \$1.4 million was from the AARP Green Project and \$400,000 was from the land water conservation/Church land acquisition.

Administrator Thomas said on the other side, \$140,000 is in the budget from the Trustees and that is not expected right now. Right now, the numbers show a \$200,000 shortfall projected. The hope is the \$200,000 reflects only that the City has solid numbers through current time and it will change during the last couple months.

A review of the revenues line-by-line took place. Property taxes: \$2.9 million was budgeted and it is currently \$2.83 million. The majority of the shortfall on the revenue side is on property tax transfers, where \$155,000 was budgeted and it currently is \$73,506. The projection is to receive \$25,000 for the remainder of the fiscal year.

A discussion was held on expected revenues, including \$57,000 coming following a Sheriff's Sale of Riverbend. The timing of the arrival of those revenues is uncertain.

Administrator Thomas said if the City reaches \$100,000 in transfer tax revenues, it will have a \$55,000 budget shortfall. Business licenses appear on track to make the budgeted amount. Rental fees are down significantly and she will investigate why. Building and HAC fees are down, likely a symptom of the sluggish economy. The Code Enforcement reimbursement line is doing very well, also a reflection of the economy.

Finance Director Delaney pointed out licenses and permit penalties are down, only at \$230, compared with budget for year of \$4,000.

Courts are at \$39,000; budgeted for the year is \$60,000.

Councilperson Cochran said the MSC appropriation will reflect an increase.

Administrator Thomas said franchise fees from Comcast and Verizon are down, currently at \$50,725. Leases for the towers are ahead of the budgeted amount. Interest income is low, \$1,762 compared with \$5,000 budget.

There was a discussion about looking at CDs to put some cash rather than money markets.

Special Trash Collection is down, at \$3,237, compared with budgeted amount for the year of \$6,000. There was a single \$3,000 revenue from Riverbend.

Treasurer Janet Carlin arrived at 6:35 p.m.

Municipal Street Aid is at \$109,442, above the full-year budgeted amount of \$86,000. The amount was bumped up this year by the State. Mrs. Thomas recommended keeping the 2013 budget at \$86,000 since the State is planning to go back to the lower amount. On Community Transportation Funds she suggested budgeting \$50,000.

For Separation Day, Mayor Reese said this year the \$32,000 will be spent, however the full amount was not spent last year.

Chief McDerby said a lot of the law enforcement grants are no longer available, except for the SALLE grant and the drug grant. The only grant the department is pursuing is to replace the computers at the Dobbinsville Substation.

Administrator Thomas said it make sense to adjust those lines closer to what is realistic. If more comes in, those will be reflected on both revenues and expenses.

The City will need to start its Comprehensive Plan update and look at budgeting for that.

Finance Director Delaney recommended keeping the property tax line at \$2.9 million for Fiscal 2013 budget. New property assessment data should be available June 10.

Councilperson Petty arrived at 7:05 p.m.

For the tax penalties line, \$12,000 was put in for the Fiscal 2013 budget request. For the property tax transfers line, the recommended budgeted amount is \$100,000. For the delinquent tax line, the 2013 budget currently is set at \$35,000. Business licenses was kept at \$95,000. Rental fees and license permit penalties, the budgeted amount is pending an investigation into the reason it is so low year to date. Building/HAC applications was set at \$70,000. Code Enforcement reimbursement was set at \$50,000. Vacant building fees was set at \$2,000. State Courts was set at \$60,000.

MSC Appropriation was set at \$500,000. Trustees are not funding the seasonal bicycle patrol in fiscal 2013. Franchise fees were lowered to \$65,000 and the cell tower leases line was boosted to \$60,000. Interest income was budgeted for \$2,000. Misc. income general fund line was set at \$10,000. Special trash collection was set at \$5,000. Summer recreation was set at \$3,000. Accident reports line was set at \$2,000.

The next Budget Workshop is slated to take place Monday, April 30 at 6 p.m., with Planning Commission, HAC, Tree Commission and the Senior Center to present. Subsequent meetings are scheduled for May 16, May 23 and May 29. Additional meetings in June will need to be scheduled.

Councilperson Cochran made a motion to adjourn the meeting to go into an Executive Session to discuss a personal matter. Councilperson Gaworski seconded the motion.

The meeting adjourned at 7:26 p.m.

Respectfully submitted,

Michael Dickinson
New Castle City Clerk